

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1871 – HB 2174

March 10, 2014

SUMMARY OF BILL: Creates a hearing process before the Bureau of TennCare for a resident of a nursing facility who appeals an involuntary discharge notice. The hearing must be scheduled within 15 days from the date of the appeal and a written decision must be rendered within 60 days from the date of the appeal. Creates a hearing process on an appeal of the Bureau of TennCare's determination that an individual is not financially or medically eligible for nursing facility services.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$105,000

Increase Federal Expenditures - \$105,000

Assumptions:

- According to the Bureau of TennCare, there is currently a 90-day timeline for nursing facility application appeals. The abbreviated timelines would result in an increase in the appeal hearing dockets.
- The newly created process also requires an independent face-to-face review to be conducted by a contracted entity.
- TennCare currently contracts with a vendor to provide registered nurses to conduct onsite assessments statewide and to testify in hearings. The contract is a five year, \$4,200,000 contract. TennCare estimates a 25 percent, or \$1,050,000, increase in contract costs. Annualized, the provisions of the bill are estimated to result in an increase in program expenditures of \$210,000 [$(\$4,200,000 \times .25)/5$ years].
- This is an administrative contract and receives a 50 percent federal match; therefore, the recurring increase in state expenditures will be \$105,000 and the recurring increase in federal expenditures will be \$105,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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/kml